

## Remarks

In the Office Action mailed November 15, 2004:

1. Claims 1-4, 6, 8, 10-11, 20, 22, 24-25, 39 and 42 were rejected under 35 U.S.C. § 103(a) in view of U.S. Patent No. 6,694,300 (Walker) and U.S. Patent No. 6,260,024 (Shkedy);
2. Claims 5 and 9 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Walker, in view of Shkedy and U.S. Patent No. 5,677,955 (Doggett);
3. Claims 34-38 and 44-47 were apparently rejected under 35 U.S.C. § 103(a) as being unpatentable over Walker, in view of Shkedy and Doggett;
4. Claim 7 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Walker, in view of Shkedy, Doggett and U.S. Patent No. 6,070,150 (Remington);
5. Claims 12-16, 18-19 and 30-33 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Walker, in view of Shkedy and U.S. Patent No. 6,029,151 (Nikander);
6. Claim 41 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Walker, in view of Doggett and Nikander;
7. Claim 17 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Walker, in view of Shkedy, Nikander and U.S. Patent No. 6,069,896 (Borgstahl);
8. Claims 21, 23, 26-28 and 43 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Walker, in view of Shkedy and U.S. Patent No. 5,963,647 (Downing);
9. Claims 26-28 and 40 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Walker, in view of Shkedy, Doggett and Downing; and
10. Claim 29 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Walker, in view of Shkedy, Downing and Nikander.

### I. Walker (U.S. Patent No. 6,694,300)

The invention disclosed in Walker relates to providing supplementary product sales to a customer via a card authorization terminal (column 2, lines 11-13). In Walker, a central controller receives details of a customer purchase from a point of sale (POS) terminal. The central controller determines a supplementary product to offer the customer, and the customer

chooses whether to accept the supplementary product (column 2, lines 14-28). There are significant differences between Walker and claimed embodiments of Applicants' invention.

#### **A. Walker Does Not Receive a Value Exchange Transaction from a "First User"**

In claimed embodiments of the present invention (e.g., claim 1), a value exchange system facilitates a value exchange between a first user and a second user. In these embodiments, the value exchange system receives a value exchange transaction from the first user and allocates the value between the first user and the second user. A *transaction* in Applicants' invention is more than an offer, and more than a simple acceptance or rejection. In particular, as recited in claim 1, a "value exchange transaction" submitted by the first user is enough to allow the value described by the transaction to be transferred to an account of the second user even before notification of the transaction is sent to the second user.

In Walker, a customer makes a purchase at a POS terminal and data relating to the purchase are sent to a central controller by the terminal (column 5, lines 8-10). The central controller determines a supplementary product to offer (column 5, lines 10-12). The customer receives the product offer via the POS terminal, possibly as a text description (column 8, lines 35-36; FIG. 7). The customer "indicates whether he accepts the offer" (column 8, line 37; FIG. 7) and a "selection signal" is then generated and sent to the central controller by the POS terminal (column 8, lines 38-40; FIG. 7).

The Examiner has compared Walker's "customer" with Applicants' "first user." This comparison cannot succeed, because the Walker system does not receive a value exchange transaction from a customer. In Walker, all that a customer ("first user") causes to be sent to the central controller is an acceptance or a rejection of a product offer selected and sent from the central controller (column 2, lines 19-28).

The selection signal does not appear to include any terms of the offer that the customer accepted or rejected, and does not appear to include either a pre-existing identifier of a sponsoring merchant or a value to be exchanged with a merchant. Indeed, the central controller already possesses the terms of the *offer*, it does not need to receive them from a customer.

Thus, customers or "first users" do not provide *transactions* to Walker's system; they only provide responses to *offers*.

## **B. Walker Does Not Receive a Value Exchange Transaction or Request**

Current embodiments of the present invention (e.g., claim 1) recite the receipt, at a value exchange system, of a value exchange transaction. As described above, a *transaction* in Applicants' invention is more than an offer, and more than a simple acceptance or rejection. The Walker system does not appear to receive a value exchange transaction.

In Walker, a sponsoring merchant registers a supplementary product *offer*, along with offer details and conditions for extending the offer (column 5, lines 17-22). When a customer makes a purchase, the central controller determines whether to offer a supplementary product (column 5, lines 22-25) and, if so, extends the offer by describing the product to the customer (column 8, lines 35-36).

More specifically, the upsell database of FIG. 4 is populated with supplementary product offers from sponsoring merchants (column 5, lines 22); the database must be populated before any such offers can be extended to, or accepted by, customers. Only after the database is populated with an offer can "the central controller 12 determine[ ] whether customers ... should be offered the supplementary product" (column 5, lines 22-25). The merchant apparently doesn't know *who*, if anybody, will receive an offer.

The customer indicates whether he or she accepts the offer (column 8, line 37), but does appear to send any information regarding the offer back to the controller. The "selection signal" (column 8, lines 38-40) appears to indicate simply acceptance or rejection of the offer.

Thus, the Walker system appears to receive only offers (from sponsoring merchants) and acceptances/rejections (from customers), not value exchange transactions or requests. And, the value exchange system does not receive a value exchange transaction from a sponsoring merchant OR a customer.

## **C. Walker Does Not Provide a "Value Exchange System"**

It is not clear whether the Examiner is equating Applicants' "value exchange system" with Walker's POS terminal, the merchant operating the POS terminal, the central controller or the merchant sponsoring an upsell offer. However, none of these entities performs the role of a value exchange system as recited in claims of the present application.

For example, claim 1 specifies that the value exchange system receives a value exchange transaction from the first user. Because it is the central controller in Walker that receives

supplementary product offers (from sponsoring merchants), only the central controller could be compared to Applicants' value exchange system. However, the value exchange system in Applicants' invention receives a value exchange transaction *from the first user*, which the Examiner has equated with a customer in Walker. And, as discussed above in Sections I.A-B, Walker's system does not receive *transactions*, and certainly not from customers. Thus, Walker does not provide a "value exchange system" comparable to Applicants'.

## II. Selected Claims

### A. **Claims 1 and 39**

As described above in Section I, Walker does not receive a value exchange transaction from a first user (or from a sponsoring merchant). The limited information sent by a customer to the central controller does not include an identifier of a sponsoring merchant or a value to be exchanged between the customer and the sponsoring merchant. And, Walker does not provide a comparable "value exchange system."

### B. **Claims 26, 40**

As described above in Section I, Walker does not receive a value exchange transaction or an "instruction ... to exchange a value with a second user" from a first user. And, a customer's acceptance/rejection does not include an identifier of a sponsoring merchant or a value to be exchanged with a sponsoring merchant. Further, Walker does not provide a comparable "distributed transaction system."

### C. **Claims 30, 41**

As described above in Section I, Walker does not receive a value exchange transaction or a "financial exchange request" from a first user. And, a customer's acceptance/rejection does not include an identifier of a sponsoring merchant or an amount to be exchanged with a sponsoring merchant. Further, Walker does not provide a comparable "distributed financial services system."

**D. Claim 34**

Claim 34 recites a synchronization server configured to receive a value exchange transaction from a first party. As described above in Section I, Walker does not receive a value exchange transaction from a first user. And, a customer's acceptance/rejection does not include an electronic mail address of a sponsoring merchant.

**E. Claim 42**

As described above in Section I, Walker does not receive a value exchange transaction or a "value transfer request" from a first user. And, a customer's acceptance/rejection does not include an electronic mail address of a sponsoring merchant or a value to be exchanged with a sponsoring merchant.

**F. Claim 43**

Claim 43 was amended to re-insert punctuation that had been inadvertently removed in line 14.

As described above in Section I, Walker does not receive a value exchange transaction or a "request to execute a transfer to an unregistered party" from a registered user. And, a customer's acceptance/rejection does not include an electronic mail address of a sponsoring merchant or a value to be exchanged with a sponsoring merchant. Further, Walker does not provide a comparable "value transfer system."

In addition, it appears that all sponsoring merchants must be known to (or registered with) the central controller before they can store supplementary product offers in the upsell database. Therefore, a customer in Walker *cannot* send a value transfer request for transferring value to an unregistered party, as required in claim 43.

**G. Claim 44**

As described above in Section I, Walker does not receive a value exchange transaction or a "request to execute a value transfer" from a first user. The limited information sent by a customer to the central controller does not include an electronic mail address of a sponsoring merchant or a value to be exchanged between the customer and the sponsoring merchant. And, Walker does not provide a comparable "value transfer system."

Further, claim 44 specifies that “the second user is not informed of said value transfer until the second user receives ... notification” of the transfer. Walker violates this requirement, because the sponsoring merchant involved in an upsell (presumably the “second user”) created the offer and therefore knows all about it, including all terms.

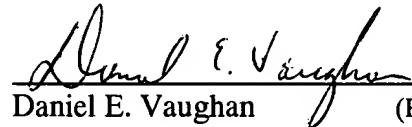
## CONCLUSION

It is submitted that the application is in suitable condition for allowance. Such action is respectfully requested. If prosecution of this application may be facilitated through a telephone interview, the Examiner is invited to contact Applicant’s attorney identified below.

Respectfully submitted,

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